



# **Bank of Valletta**

**Bank of Valletta p.l.c.**

**Office of the Company Secretary**

BOV Centre, High Street, Sliema SLM 16 - Malta  
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**BOV/96**

## **COMPANY ANNOUNCEMENT**

The following is a Company Announcement issued by Bank of Valletta p.l.c. pursuant to Malta Stock Exchange Bye-Law 6.05.04(iii) and 6.05.06(iii):

### **Quote**

Attached please find the Company Announcement containing the Bank of Valletta p.l.c.'s Preliminary Profit Statement for the year ended 30<sup>th</sup> September 2003.

**Unquote**

**Victor J. Cardona ACIB, BA (Hons) Econ., CSA**  
**Company Secretary**

31<sup>st</sup> October 2003

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Registered Office: BOV Centre, High Street, Sliema SLM 16 - Malta Registration Number C 2833

Bank of Valletta p.l.c. is a public limited company licensed to conduct Investment Services business by the Malta Financial Services Centre.

Bank of Valletta p.l.c. is an insurance sub-agent of Middlesea Valletta Life Assurance Company Limited and regulated by the Malta Financial Services Cent



**Bank of Valletta p.l.c. Preliminary Income Statement  
for the year ended 30 September 2003**

	The Group		The Bank	
	2003	2002	2003	2002
	Lm'000	Lm'000	Lm'000	Lm'000
Gross interest income	90,758	92,437	90,886	92,565
Interest expense	(56,132)	(61,873)	(56,168)	(61,931)
Net interest income	34,626	30,564	34,718	30,634
Non-interest income	18,344	16,209	18,082	15,409
Non-interest expense	(27,111)	(27,316)	(26,510)	(26,771)
Net impairment losses	(12,173)	(5,655)	(12,173)	(5,655)
Profit from associated companies	1,091	731	-	-
Profit before tax	14,777	14,533	14,117	13,617
Tax on profit	(4,132)	(5,143)	(4,198)	(5,197)
Profit after tax	10,645	9,390	9,919	8,420
Profit attributable to minority interests	(259)	(204)	-	-
Profit attributable to the shareholders	10,386	9,186	9,919	8,420
Earnings per share	18c7	16c6	17c9	15c2

**NOTE TO THE INCOME STATEMENTS**

*Earnings per share for the year ended 30 September 2002, originally reported as 19c9 for the Group and 18c2 for the Bank, have been restated for comparative purposes to reflect the bonus issue, of one ordinary share for every five outstanding ordinary shares, made in January 2003.*

**BALANCE SHEET EXTRACTS**

	The Group		The Bank	
	2003	2002	2003	2002
	Lm'000	Lm'000	Lm'000	Lm'000
Shareholders' funds	126,994	113,771	119,668	106,912
Total assets	1,991,737	1,889,371	1,984,282	1,883,035
Net loans and advances to customers	781,082	763,333	784,082	766,333
Amounts owed to customers	1,428,254	1,383,259	1,428,943	1,384,988

The above figures have been extracted from the Bank of Valletta Group's audited financial statements for the year ended 30 September 2003. These figures are being published in terms of bye-law 6.05.06 (iii) of the Malta Stock Exchange.

The Bank of Valletta Group has registered a profit of Lm14.8 million before tax for the year under review (2002: Lm14.5 million) after making provision for impairment losses of Lm12.2 million (2002: Lm5.7 million). This increase in impairment losses results from an exercise which the Bank is carrying out to revise the level of impairment allowances as stipulated by local legislation and international best practice.

Earnings per share increased from 16c6 in 2002 to 18c7. Total income rose from Lm46.8 million in 2002 to Lm53.0 million in 2003, an increase of 13.2%. Non-interest expense decreased by 0.8% and amounts to Lm27.1 million. As a result, the Group cost/income ratio improved from 58.4% in 2002 to 51.2%.

Group total assets at 30 September 2003 amount to Lm1.99 billion, an increase of 5.4% over 2002. Customer deposits rose by 3.3% to reach Lm1.43 billion. Advances to customers, net of impairment allowances, stand at Lm781.1 million, up by 2.3 % over the balance as at 30 September 2002. Shareholders' funds amount to Lm127.0 million, an increase of 11.6% when compared to the previous year.

The Group solvency ratio, which is computed in accordance with the Banking Directive on the Solvency Ratio of Credit Institutions, issued by the Central Bank of Malta in terms of the Banking Act, 1994, is 16.48% (2002: 15.75%).

A gross dividend of 11c per share (2002: 11c per share and a special dividend of 5c per share) is being proposed.

**Notice is hereby given that 7 November 2003 is the "effective date" for the purposes of Article 2 (f) of the Articles of Association of the Company.**

**All shareholders on the Company's register at the Central Securities Depository of the Malta Stock Exchange following trading on 7 November 2003 will:**

**i) receive notice of and be entitled to attend and vote at the Annual General Meeting of the Company scheduled for December 2003, and**

**ii) be paid the dividend as approved by the Annual General Meeting.**